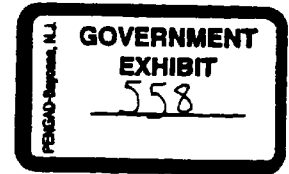


Christine Turner



From: Marshall Brumer  
 Sent: Thursday, June 06, 1996 12:53 PM  
 To: Bill Gates  
 Cc: Paul Maritz; Jim Allchin (Exchange); Brad Silverberg; Carl Stork; Christine Turner; Craig Mundie; John Ludwig  
 Subject: Briefing for your Andy Grove 1-1. 6/7/96

This mail presents a status of our relationship with Intel and key areas for discussion at your meeting. A detailed status of our work by technology/initiative is attached.

#### Summary Relationship Status

- We continue to improve our relationship. The key in this area is our continued focus on the HW groups at Intel. MS is engaged across almost all of the HW groups at Intel with positive results coming every time we make another connection. Examples are USB, AGP and ACPI - three initiatives key to both MS and Intel.
- We continue to force conflict resolution lower in both organizations while lowering paranoia levels at both companies. People at both companies are realizing that we are in this together, helping Intel is helping MS and vice versa. This also results in better, more and earlier communications between the two companies.
- The growing executive connections and relationships are key in getting our relationship going in this positive direction. Upper and middle level executives are now able to call/email each other in a much more reasonable fashion to address key concerns and issues. We are continuing to use and stress this channel.

#### Key Areas for Discussion

- Windows NT 4.0/PPro Joint Marketing
  - We are working with Intel to get a joint marketing program underway. Intel's two key issues are money and clear messages on PPro. You need to help Andy understand we are fully committed to doing this and Intel must do the same. They have already had 2 other opportunities to work with us and turned them down. If they believe this is strategic, why the \$\$ concerns? We can resolve the messaging concerns.
- Hood River - Intel Family Room PC (an SIPC example)
  - Intel needs to stay in this space and staff this project. We just heard about this on 6/4 and are very excited that Intel is entering the SIPC space. We need to spin this as a positive place for Intel to invest and focus. This will enable both MS and Intel to grow the PC usage space while not cannibalizing the current PC space.
- Intel Web Page
  - We are making good on our end of educating Intel on IE3.0. You need to just remind Andy that we are looking to Intel to adopt and help MS with this technology. The fact that numerous Intel groups want to license IE3.0 is a good omen for this. *Internal browser usage.*
- Intel Inside Logo
  - We need to ping Andy on their goals behind requiring OEMs to remove all logos except the Intel Inside logo from ads, machines etc. We are already seeing ads without MS or other logos. Intel does not seem to have converged on a reason for this, maybe Andy can shed some light for you.
- Total Cost of Ownership
  - Intel wants to work this issue with MS. PaulMa addressed this at a hi-level in the SLRP meeting at Intel last month. We need to resolve our messages here. I will setup a meeting between Madigan and Gelsinger in the near future. Andy will probably want to discuss this.
- Strategic Relationship Direction
  - Moving forward, we will be focused on the needs of Intel's HW product groups. We will work with IAL as a result of these HW interactions with key focal people at Intel usually being in the HW group. The goal here is to focus MS efforts on areas that Intel is planning to ship as product, not as technology. (NOTE: This is more of an FYI for you as I am not convinced that you want to have Andy feeling that we are not focused on Craig's efforts.)

TAUSMAN

Technical Area Status

Intel Status 6-6.doc

PUBLISHING  
EDUCATION

apple

IAL-security/image capture

JAVA

chip competition / PC volume / memory price

ROADMAP Reaction

Page 1

Barkley NOW / supercomputer!

with a / security / bayesian

## Intel Status by Technical Area or Initiative

Updated 6/6/96

### CPUs

- MMX
  - MS continues to support MMX with Intel externally - WinHEC, XDC etc.
  - 25 systems into MS at this point. Most support coming from DX group. Many other groups doing more work to determine level of support. We can expect MS to make a strong push as Intel begins shipping MMX based systems.
  - Languages has released MMX support in VC++ 4.1.
- MX2 or VX
  - This is Intel's second round of MMX optimizations. SIMD FP unit with some changes to the FP register set. This will affect SW compatibility. MS will need to focus on this area. Intel's focus with these instructions is AGP2 (see below) systems in '99 for hi-end graphics.
  - Intel will be at MS on 6/7/96 to disclose this for the first time. We will be on a tight schedule here since Intel plans to close this definition by 7/1/96 to enable Merced changes for this if needed.
- Merced (P7)
  - EM LOI work continues in the background. We will close on this as soon as our HP/MS deal is complete. Details on the LOI:
    - Compiler - 2 phase plan. 1) Intel will ship an EM compiler using MS IDE just like any other RISC vendor. 2a) MS will, at it's discretion, ship the product from phase 1. 2b) MS will create and ship it's own EM compiler.
    - NT/EM release in the same general timeframe as Merced ship. Intel goal is 98, 99 may be more realistic from MS point of view.
    - Closure on IP issues. We may already be covered here, just making sure that we close on this.
  - We continue to engage on Merced technical issues even though the LOI is not yet signed.
- Klamath
  - Intel's next big push. Pentium Pro (but probably with a new name) and MMX with a shrink.
  - This processor is tied to their 'big bang' theory that we are just beginning to hear about. Intel wants to release processor, chipset, motherboard and systems at the same time. Klamath will be the first big bang, happening in mid 97.
  - AGP (see below) is a big part of Klamath success. We are working hard to support this on Intel's timeline.
- Pentium Pro
  - Working with Intel to get a joint marketing program, PPro and NT4.0 Launch, underway. MS made a third proposal to Intel 6/5/96. Intel's two key issues are money and clear messages on PPro. MS needs to push on Intel hard in this space.
  - Klamath improves upon the 16bit performance problems of PPro. We won't see much change out of any of the other SW attempts that Intel has been making in this space.

### Chipsets

- Working on many chipset definition issues for the short and long term. These include work on AGP, USB, ACPI (Advanced Configuration and Power Interface), PCI improvements/fixes and plans to work on Intel's round two of AGP that will be focused on even higher end graphics than current AGP.
- AGP - Accelerated Graphics Port
  - Intel is pushing this hard. They have tied this to Klamath and are focused on 3D on Klamath/AGP systems being far beyond current PC 3D solutions.

- MS is externally supporting AGP including presenting at Intel's recent AGP developer's conference and public statements of support at WinHEC and PC Tech forum.
- MS is engaged on AGP. NT, 95 and MM folks are focusing on this. Time is being spent on specification review and improvement, software definition and scheduling. Key issue here is that we need to make OS and DX changes here, this will take time.
- Goal is to have MS software support on the same timeline as Intel HW support. Dependencies are 1.0 specification and AGP chipset and peripheral HW.
- USB - Universal Serial Bus
  - MS and Intel have created and are following a joint POR. Weekly meetings on this. Biggest issue is lack of retail USB peripheral support.
- We continue to grow this relationship as we engage on more of these initiatives with Intel. Avtar Saini recently took over PCD from Ron Smith. We had a good meeting with Avtar on 6/3/96 that helped focus key areas to engage and iron out past issues.

#### **Motherboards**

- Hood River - Intel's Family Room Computer
  - Intel disclosed this to MS on 6/4/96. This is a great version of an SIPC machine from Intel. We need to work closely with Intel to make sure that this program gets funding/staffing at Intel.
- We continue to focus on OPSD here to make sure that our joint messages to OEMs are in sync and that the systems they build and ship to OEMs are meeting both Intel and MS needs.

#### **IAL**

- Many of the IAL issues that Kinnie has raised are being addressed - USB, MM Streaming to replace IA-SPOX, DMI and 3D HW concerns. Video Capture is the only real open issue and is beginning to get focus via the USB effort around imaging.
- We are still challenged on the security front. We have gone out with messages that Intel is not 100% happy about. MS needed to do this. Intel was offered the opportunity to get involved many times. This is in Intel's court to decide if they agree with MS pushing security into public standards organizations.

#### **Internet**

- Work on our joint Internet Media and Communications effort is progressing on a technical side but is hitting some bumps on the business side. We are just this week getting news that Intel is out making deals that will end up positioning their offerings as competitive to ours and our ISVs. This will end up being a problem. JohnLu and team are working this issue as I type.
- We are all over Intel with respect to their using Netscape and noting Netscape on their webpage. We held recent educational meetings with Renee James, Dennis Carter, and Intel Outbound marketing folks (own the webpage). We are hosting the intel.com webmasters this week in the porting lab.
- Multiple Intel teams are asking for license rights to IE3.0 to ship on their technology CDs. This is a big win for MS and will help move IE3.0 into the hearts and minds of Intel folks.
- Internet appliance/consumer device meetings are taking place. Both Intel and MS are in the formative stages here and are spending time together to make sure we do not blind side one another. Intel is investing in this space with the WebPhone and we can expect them to invest in more areas.